

FISCAL NOTE

Bill #: SB0132

Title: Generally revise insurance fees

Primary

Sponsor: John Hertel

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$0	(\$1,904,738)
State Special Revenue	\$0	\$1,904,738
Revenue:		
General Fund	\$0	(\$2,579,502)
State Special Revenue	\$0	\$2,579,202
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. This bill becomes effective January 1, 2001. This bill will have no fiscal impact in FY 2000.
2. Currently there are 1,348 companies that pay a \$900 company fee per year.
3. Currently there are 3,777 instate producers who pay a \$10 continuing education fee per year.
4. Currently there are 5,047 out-of-state producers who pay a \$10 producer renewal fee and a \$10 continuing education fee per year.
5. Currently there are additional aggregate fees from companies of \$1,670,600.
6. Currently there are additional aggregate fees from producers of \$903,900.

7. The following fees will not change: Nonresident insurance producer's license original fee \$100; annual renewal of this license \$10; surplus lines insurance producer license fee \$50; annual renewal of this license \$50; and a fee for copies of \$.50 per page.
8. Proposed fee will be \$1,900 per company. There will be 1,396 companies paying this fee.
9. SB130 submits these fee changes to the electorate, in accordance with CI-75 and the program will be billed by the Secretary of State for the pro-rata share of those costs per the SB130 fiscal note.
10. Presently, the fees are deposited into the general fund and the budgeted revenue is \$674,764 more than the budgeted expenses. To hold the general fund harmless, the State Auditor's Office and the Office of Budget and Program Planning will propose language be included in HB2 that if SB132 is passed and becomes law, and if SB130 is ratified by the voters, there is an appropriation from the state special revenue account to the general fund of \$674,764 in FY 2001.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
FTE		
<u>Expenditures:</u>	\$0	\$0
<u>Funding:</u>		
General Fund (01)	\$0	(\$1,904,738)
State Special Revenue (02)	<u>0</u>	<u>1,904,738</u>
TOTAL	\$0	\$0
<u>Revenues:</u>		
General Fund (01)	\$0	(\$2,579,502)
State Special Revenue (02)	0	2,579,502
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$0	\$0
State Special Revenue (02)	0	0

LONG-RANGE IMPACTS:

1. The long-range impact of this bill would be that fees collected from the insurance industry would be at a level equal to the appropriation level of the Central Management and Insurance Programs of the State Auditor's Office.
2. There will be decreased general fund revenue of about \$675,000 per year in the future.